

MEETING OF
THE DELAWARE AGRICULTURAL LANDS PRESERVATION FOUNDATION

A meeting of the Delaware Agricultural Lands Preservation Foundation was held at the Delaware Department of Agriculture, 2320 S. DuPont Hwy. Dover, Delaware, November 16, 2011, with the following members in attendance:

Robert F. Garey, Chairman
William Vanderwende, Vice Chairman
L. Allen Messick, Jr. Treasurer
Theodore P. Bobola, Jr.

Ed Kee, Secretary of Agriculture
Lisa Embert representing Chip Flowers, Jr., State Treasurer
Robert L. Emerson

Absent: Kevin Coyle, William "Chip" Narvel, Jr., and Steven Ditmer.

The following staff members were in attendance: Austin Short, Deputy Secretary of Agriculture, and Acting Chief of Planning; Howard Mesick, Scott Blaier, Cathy Mesick, Kathi Spangler, and Robin West.

Others in attendance: F. Michael Parkowski, Esq.

Chairman Garey opened the meeting at 8:30 a.m.

I. Current Situation Report:

Robin West informed the Board that we have a total of 1,093 farms in preservation districts totaling 155,693 acres, with a total of 692 farms under agricultural easements totaling 105,558 acres at a cost of \$188,020,537. For PDR 17, there are a total of 30 farms, comprising 1,438 acres, with a value of \$8,802,540. For the Forestland Preservation Program there are 37 Forestland Preservation Areas comprising 2,678 acres. For the Forestland Preservation Area Easements, there are a total of 9 properties, comprising 872 acres, with a value of \$1,450,804.

Austin Short informed the Board that 91 Young Farmer Program packets have been sent out, 17 farmers have been approved for the prequalification form and one loan application has been received.

II. Monitoring Report:

Scott Blaier informed the Board that 220 Federal parcels are done, and 932 out of 1,278 non-Federal parcels have been done. The rest of the parcels should be visited by the end of the year.

III. Forestland Preservation Areas - Eligibility & Final Approval:

1. Miller Brothers Forestland Preservation Area, ID#F-K-11-08-020G-051. This forestland preservation area cannot be considered at this time as the paperwork has not been completed.

IV. Expansions – Eligibility & Final Approval:

1. Miller Brothers Expansion of the Milford Neck District, ID#K-11-08-020G After discussion, **Ed Kee moved to accept for eligibility/final approval the Miller Brothers Expansion of the Milford Neck District, seconded by William Vanderwende. Motion unanimously approved.**
2. Powell Farm Expansion of the Collins District, ID#S-11-08-021F. After discussion, **Allen Messick, Jr. moved to accept contingent on sale the eligibility/final approval of the Powell Farm Expansion of the Collins District, seconded by Ed Kee. Motion unanimously approved.**
3. Timmons Expansion of the Collins District, ID#S-11-08-065Q. After discussion, **William Vanderwende. moved to accept for eligibility/final approval the Timmons Expansion of the Collins District, seconded by Ed Kee. Motion unanimously approved.**

V. Secretary of Agriculture's Veto – Secretary of Agriculture Ed Kee waived the right of veto for the above Expansions.

VI. Public Comments – There were no public comments.

VII. Minutes:

Chairman Garey asked if there were any comments or changes to the October 19, 2011, minutes. No changes were necessary. The Chairman asked for a motion to approve the minutes. **William Vanderwende moved to approve the October minutes, seconded by Theodore P. Bobola, Jr. Motion unanimously approved.**

VIII. Financial Highlights:

Howard Mesick presented the Financial Statement for the month of October 2011, informing the Foundation Board that we had, as of October 31, 2011, \$297,612.39 in the Foundation's interest bearing State of Delaware account. We received \$525.00 license plate income. Expenditures for the month of October totaled \$29,633.51. After discussion, **Ed Kee moved to accept the October financial statement as presented, seconded by Robert Garey. Motion unanimously approved.**

IX. Executive Session – Michael Parkowski indicated there was no a need for an executive session

X. Other Business:

Chairman Garey brought up the subject of the audit letter from Wheeler, Wolfenden, Dwares which asked questions to the Board of Trustees. Mr. Garey would like a collective response to the auditors.

1. Do you have any concerns regarding fraud in the Organization? None.
2. Do you know of any fraud that has occurred in the Organization? None.
3. If during our audit procedures we become aware of fraud how would you like WWD to address the issue with respect to resolving any matters related to the occurrence of fraud. For instance, does the governance body expect the auditor to communicate with management and let them address and resolve the situation; or does the governance body want the auditor to bring such matters to them? Report the matter to the Chair of the Foundation and the Secretary of the Delaware Dept. of Agriculture.
4. Do you feel there are sufficient internal controls in place in the Organization to prevent and detect material financial statement misstatements? Yes.
5. If WWD becomes aware of significant deficiencies and material weaknesses in internal control during the audit, which level of governance will deal with these matters and concerns? The Delaware Department of Agriculture.
6. Are there any significant audit areas that you would like WWD to perform additional procedures on? No.
7. What concerns does the governance body have that they want the auditor to address? The expense of the audit imposed on the Foundation.

Secretary Ed Kee mentioned Sussex County, the Sussex County Land Trust, had no surplus funds for Farmland Preservation this year. However, it was suggested that William Vanderwende, Robert Garey, Allen Messick, Jr. and Austin Short meet with the new Sussex County Administrator, Mr. Lawson to present the program to him.

Mike Parkowski informed the Board that a new appraisal contract should be put up for bid. It would be a 3 year contract with options for 2 additional years, dealing with three separate appraisals, Regular & Federal and follow-up and Young Farmers as well. A committee should be formed of three people, Deputy Secretary Austin Short, Robert Garey, Mike Parkowski/Secretary Kee.

It was mentioned that the New Castle County meeting at which Austin Short and Robin West presented the preservation program went very well.

XII. Adjournment

As there was no further business to come before the Foundation the meeting adjourned at 9:09 a.m. The next meeting of the Foundation will be held on December 21, 2011 at the Delaware Department of Agriculture, beginning at 8:30 a.m.

Minutes
November 16, 2011
Page 3

Respectfully submitted,

Robert F. Garey
Chairman